

**DRAFT****GOED Board Meeting Minutes**

April 14, 2016 • 10:00 a.m.

Utah Governor's Office of Economic Development  
Salt Lake City, UT 84111

<b>Members Present:</b>	Mel Lavitt, Bob Frankenberg (P), Christopher M. Conabee, Margaret Lasecke-Jacobs, Peter Mouskondis, Lorena Riffo-Jensen, Annette Meier, Stefanie Bevans, Bevan Wilson, Josh Romney
<b>Members Excused:</b>	Susan Johnson, Jake Boyer, Jerry Oldroyd, Brent Brown, Sam Granato
<b>Staff:</b>	Val Hale, Theresa A. Foxley, Julia Barnhouse, Eric Nay, Ben Hart, Vicki Varela, Jill Flygare, Virginia Pearce, Vatsala Kaul, Hillary Bowler, Tom Wadsworth, Michael Sullivan, Chase Christiansen, Alicia Ryans, Michael O' Malley, Jaxon Ames, Jackie Moynahan, Linda Gillmor, Dan Royal, Tara McKee, Jeff Van Hulten, Kelleigh Cole, Jaron Janson
<b>Visitors:</b>	Susan Eisenman, Brian Higginbotham, Jeff Edwards, Erin Laney, Josh Orwig, Brice Wallace, Kevin Hyat, Matt Henrod

**Welcome**

Mel Lavitt welcomed everyone to the April 14, 2016 Board meeting.

**Approval of the Minutes**

**MOTION: Peter Mouskondis motioned to approve the March 10, 2016 minutes. Lorena Riffo-Jensen seconded the motion. Motion was carried unanimously.**

**Presentation – Juliette Marie Tennert**

Juliette Marie Tennert, Director of Economics & Public Policy, thanked the board for the invitation to present to them and distributed a handout for her presentation which lists national data and Utah's current employment situation. According to the U.S. Macro Outlook, the US is still experiencing robust job growth, with the longest string of monthly job gains on record. National GDP activity has slowed due to seasonal conditions. The labor force is continuing to grow nationally which shows that there is still room available in the economy for the unemployed. Our national employment rate has grown 10%, and Utah has grown 20%.

Juliette then brought up a major question, when can we expect the next recession? Juliette referred to The Wall Street Journal's Economic Forecasting Survey which shows that economists are seeing trends that lead to an increased possibility of recession, with a current probability of 20%. However, they do not see a recession happening in the next twelve months. The biggest risk facing the U.S. economy in the next twelve months is global risk.

Utah's employment growth is running at 3.3% which is considered high growth; Juliette did indicate that the growth rate is declining. The unemployment rate is 3.4%, which means there are 50,000 unemployed Utahans' who are actively seeking employment. This number is based off of those who have participated in the survey and does not include people who are not seeking employment. Juliette has also seen a decline in the amount of temporary hires, which is an indication that businesses are hiring for more permanent positions. She then reviewed the employment rates in different sectors such as IT, entertainment, etc.

Juliette provided a preview of Natalie Gochnour's report that she will give at the 2016 Economic Summit which covers Utah's Silicon Slopes and finance moving to Utah. Natalie found that of the top technology states, Utah is listed twice highlighting Provo and Salt Lake City, and Utah is also listed at the top for finance.

**EDTIF – Peek****Project Highlights**

Timeline:	2016
Target Industry:	Information Technology / Outdoor Recreation
Proposed Location(s):	Salt Lake County
Capital Investment:	\$3,000,000

**Company Overview**

Peek Travel, Inc. is a travel technology company based in San Francisco, California that curates activities that travelers can browse and purchase instantly. The company's industry-leading technology, Peek-Professional (www.peakpro.com), empowers tours & activities operators to better manage and grow their businesses.

**Jobs & Revenue**

The company will provide 100 full time employees with comprehensive health and retirement benefits.

**New State Wages & Revenue:**

New State Wages over 5 years:	\$17,248,103
New State Revenue over 5 years:	\$1,374,770

**Local Incentive**

Sandy city is offering a local incentive.

**Incentive Committee Recommendation**

Total amount of EDTIF, post-performance refundable tax credit:	<b>\$206,215</b>
The amount represents the following percentage of new state revenues:	<b>15%</b>
Number of years that incentive is approved for:	<b>5 years</b>

**MOTION: Christopher M. Conabee motioned to approve Peek Travel Inc. for a \$206,215 EDTIF post-performance refundable tax credit which represents an amount equal to 15% of new state revenue for 5 years. Peter Mouskondis seconded the motion. The motion carried unanimously.**

- Total EDTIF incentive not to exceed \$206,215 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 15% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 15% of qualified new incremental state tax revenues over 5 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the Salt Lake County average wage *excluding* company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 5 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Josh Orwig, Director of Partnerships for Peek, thanked the GOED Board for their support. Utah was continually making it to the top of the list, and one of the main contributing factors was Utah's willingness to help Peek and our great workforce. Peek is very excited to operate and grow in Utah.

**EDTIF – Entrata Property Solutions****Project Highlights**

Timeline:	2016
Target Industry:	Information Technology
Proposed Location(s):	Utah County
Capital Investment:	\$6,000,000

**Company Overview**

Founded in 2003, Entrata, Inc. (fka Property Solutions International, Inc.) is the nation's largest provider of website portals and payment processing to the multifamily home industry, and is a leading developer of innovative property management software tools.

#### **Jobs & Revenue**

The company will provide 191 full time employees with comprehensive health and retirement benefits.

#### **New State Wages & Revenue:**

New State Wages over 5 years:	\$38,135,356
New State Revenue over 5 years:	\$1,631,800

#### **Local Incentive**

Lehi City is offering the company a local incentive.

#### **Incentive Committee Recommendation**

Total amount of EDTIF, post-performance refundable tax credit:	<b>\$326,360</b>
The amount represents the following percentage of new state revenues:	<b>20%</b>
Number of years that incentive is approved for:	<b>5 years</b>

**MOTION: Christopher M. Conabee motioned to approve Entrata Property Solutions for a \$326,360 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 5 years. Margaret Lasecke-Jacobs seconded the motion. The motion carried unanimously.**

- Total EDTIF incentive not to exceed \$326,360 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 20% of qualified new incremental state tax revenues over 5 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the Utah County average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 5 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Chase Harrington, Entrata COO, welcomes the new opportunity and is looking forward to growing in Utah. He thanked the Board for their support.

#### **ED Zones**

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE RECRUITMENT OF SR56, INC. TO 516 W. STOCKMAN WAY, OGDEN, UTAH

**MOTION: CHRISTOPHER M. CONABEE MOTIONED TO APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR OGDEN CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE RECRUITMENT OF SR56, INC. (SELLE ROYAL) TO 516 W. STOCKMAN WAY, OGDEN, UTAH. JOSH ROMNEY SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.**

#### **Rural Quarterly Update**

Linda Gillmor, Director of Rural Programs, provided a quarterly update for the Office of Rural Development. Four Rural Fast Track grants were awarded during Q3: Premier Cabinets, Valley View Granite, Big Pine Sports, and Boulder Innovation. Collectively, these projects had a total of \$483,450 in capital investment, \$200,000 in grants, and eight jobs were created. Cache County, Box Elder County, Sanpete County, and Wayne County were benefited by the

projects that received the grant. The industries that these grants represent are manufacturing, construction, vehicle repair, and wholesale trade.

#### **Rural Fast Track Endorsements**

##### **Company – Bingham’s Custom Meats, LLC**

The Rural Development office recommends a Rural Fast Track grant for Bingham’s Custom Meats, LLC, for the purpose of expanding their current building by adding another game meat processing area. The expansion will allow the company to accommodate more clientele. The company expects to create 1 new full time position paying at least 110% of the county average wage. The project is estimated to cost two hundred fifty-two thousand, eight hundred fifty-two dollars (\$252,852).

**MOTION: Endorse a Rural Fast Track Grant for Bingham’s Custom Meats, LLC of \$50,000.**

##### **Company – Precision Complete Auto Repair, Inc.**

The Rural Development office recommends a Rural Fast Track grant for Precision Complete Auto Repair, Inc., located in Morgan City, Morgan County, for the purpose of constructing a new mechanic’s shop with a total of 9 bays as well as purchasing automotive equipment including 5 vehicle lifts and an alignment machine. The company expects to create 1 new full time position paying at least 110% of the county average wage. The project is estimated to cost eight hundred twelve thousand, eight hundred eleven dollars (\$812,811).

**MOTION: Endorse a Rural Fast Track Grant for Precision Complete Auto Repair, Inc. of \$50,000.**

##### **Company- The Synergy Company of Utah, LLC**

The Rural Development office recommends a Rural Fast Track grant for The Synergy Company of Utah, LLC, located in Moab, Grand County, for the purpose of purchasing a tablet/capsule counter that will help the company triple their current output and allow them to introduce new products. The company expects to create 1 new full time position paying at least 125% of the county average wage. The project is estimated to cost one hundred seven thousand, six dollars (\$107,006).

**MOTION: Endorse a Rural Fast Track Grant for The Synergy Company of Utah, LLC of \$50,000.**

##### **Company – Logan Extermination**

The Rural Development office recommends a Rural Fast Track grant for Logan Extermination, located in Providence, Cache County, for the purpose of 2000 square foot steel garage with 3, double-garage doors, and all necessary plumbing, drains, heating, and electrical services. Each of the three garage bays can house 2 trucks and leave additional space for product storage (approximately 200 square feet each). The company expects to create 3 new full time positions paying at least 110% of the county average wage. The project is estimated to cost one hundred ninety-five thousand, one hundred twenty-three dollars (\$195,123).

**MOTION: Endorse a Rural Fast Track Grant for Logan Extermination of \$50,000.**

**MOTION: Stefanie Bevans motioned to endorse all of the Rural Fast Track grants being presented. Bevan Wilson seconded the motion. The motion carried unanimously.**

#### **Film Incentives**

##### **Film- “Six Below” Amendments**

###### **Project Highlights**

- |             |  |
|-------------|--|
| • Category: | Independent Feature                                  |
| • Genre:    | Drama  |
| • Director: | Scott Waugh  |
| • Producer: | Scott Waugh, Simon Swart, Bradley Pilz & David Grace |

###### **Utah Jobs and Revenue**

- |                                  |       |
|----------------------------------|-------|
| • Estimated Cast:                | 12    |
| • Estimated Cast Average Salary: | \$900 |
| • Estimated Crew:                | 55    |

- Estimated Crew Average Salary: \$300
- Estimated Extras: 80
- Estimated Extras Average Salary: \$150
- Length of Film Production: 30
- Estimated Spend: \$2,500,000

#### Project Schedule

- Prep: February 1, 2016 through March 11, 2016
- Principal Photography: March 14, 2016 through April 23, 2016
- Wrap: April 25, 2016 through May 6, 2016
- Post Production: April 25, 2016 through August 31, 2016

#### Motion Picture Advisory Committee Recommendation

**Approved by the Motion Picture Advisory Committee (MPAC) February 4, 2016.** *This production was originally approved by the GOED Board February 11, 2016. The production company revised the Utah estimated spend from \$2,000,000 to \$2,500,000 and has requested the additional MPIP Incentive.*

**MOTION: Annette Meier motioned to approve for Six Below, LLC, a Motion Picture Incentive Program post-performance tax credit of no more than \$500,000 (which represents 20% of dollars left in state) or no more than \$625,000 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “Six Below”. Margaret Lasecke-Jacobs seconded the motion. The motion carried unanimously.**

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$200,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state.
- Dollars left in state start date no earlier than 30 days prior to the original February 11, 2016 Governor’s Office of Economic Development Board of Directors approval.
- Six Below, LLC may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission, including a \$1,000,000 minimum dollars left in state. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$625,000 (25% of the dollars left in state).

#### Tourism Update

Vicki Varela, Director of the Utah Office of Tourism, discussed how tourism is a major driver in Utah’s Economy, with a total of \$7.98 billion in total traveler spending and \$1.09 billion generated in state and local tax revenue. The Office of Tourism is getting ready to launch their new campaign, The Road to Mighty, which encourages tourists to look at other areas of the states in addition to the national parks. Vicki also announced the new Delta UK direct flight launch scheduled for April 23-24.

Governor Herbert has charged the Office of Tourism to generate \$1.2 billion in state and local tax revenue from tourism by 2020.

#### GOED Update

Val Hale, Executive Director, provided an overview of current events within the departments of GOED. He also announced the retirement of Michael Sullivan, and his replacement, Aimee Edwards.

#### Incentives Update

Theresa A. Foxley, Director of Corporate Recruitment and International Trade provided an update on the Incentives Program regarding new and existing projects. Theresa also announced the departure of Eric Nay, Director of Business Development and Corporate Incentives.

#### EDCUtah Update

Jeff Edwards, President & CEO of EDCUtah, presented on the status of current and upcoming projects in the pipeline. He spoke on the increase of the number of projects that EDCU is seeing in all industries.

#### Meeting Adjourned